BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of Suburban Water Systems (U 339-W) for authority to increase rates: In 2003 \$9,919,002, or 27.2% above the revenues generated by present rates, in 2004 \$1,447,692 or 3.1% above the revenues generated by the rates proposed for 2003, in 2005 \$1,597,008 or 3.3% above the 2004 revenue requirements.

Application 02-05-033 (Filed May 13, 2002)

SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER

1. Summary

This ruling sets forth the procedural schedule, addresses the scope of the proceeding and designates the principal hearing officer pursuant to Pub. Util. Code § 1701.3(a) and Rule 6.3 of the Rules of Practice and Procedure.

2. Scope of the Proceeding

At issue in this application are the following matters:

- a. Has Applicant justified the need for the general rate increases it seeks in the years 2003, 2004, and 2005?
- b. Has Applicant justified recovery of Department of Health Services fees in rates?
- c. Has Applicant justified either a change or no change in its tariffs related to FMCT meters?
- d. Has Applicant justified its request to adopt three test years instead of the two test years designated in Decision 90-08-045?
- e. Has Applicant justified a memorandum account for security costs?
- f. Has Applicant justified amortization of its balancing accounts?

129212 - 1 -

3. Schedule

A hearing is necessary. The parties have agreed on the following schedule:

October 21, 2002 Office of Ratepayer Advocates, Water and

Natural Gas Branch (ORA) serves ORA

testimony.

October 29, 2002 Public Participation Hearings will be

conducted at 4 p.m. and 7 p.m. in West Covina Senior Center, 2501 East Cortez Street, North Wing, Rooms 14 & 15, West Covina, CA 91791.

November 5-8, 2002 Evidentiary Hearing, beginning at 10 a.m. in

the Commission Courtroom, 320 West 4th

Street, Los Angeles.

December 5, 2002 Parties file and exchange briefs.

December 19, 2002 Administrative Law Judge (ALJ) transmits data

to Water and Natural Gas Branch for preparation of ratesetting appendices.

December 19, 2002 ALJ circulates Proposed Decision internally.

January 3, 2003 ALJ's Proposed Decision is filed.

Resolution of this case is anticipated by February 2003.

4. Category of Proceeding; Principal Hearing Officer

This application is ratesetting, as defined in Rule 5(c). ALJ Walker is designated as the principal hearing officer.

Dated August 19, 2002, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey

Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Scoping Memo and Ruling of Assigned Commissioner on all parties of record in this proceeding or their attorneys of record.

Dated August 19, 2002, at San Francisco, California.

/s/ KE HUANG Ke Huang

NOTICE

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.